(b) whether it is a fact that there is sufficient indigenous capacity for manufacture of these cables;

(c) if so, what steps Government propose to take to have healthy competition between M/s. Hindustan Cables Limited and other manufacturers since the telephone cables are procured under an agreement of prices based on cost plus incidental basis; and

(d) what are the details of the agreement reached with the M|s. Hindustan Cables Limited for purchase of cables?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI GIRIDHAR GOMANGO): (a) Yes, Sir, some high sizes cables, where regular production has not been started by indigenous manufacturers are proposed to be imported.

(b) No, Sir, not in higher sizes.

(c) A proposal is under consideration that M|s. HCL should participate in open tenders with other indigenous manufacturers for supply of jelly filled cables manufactured by them w.e.f. 1-4-1989.

(d) There is a pricing agreement between DOT and HCL effective from 1-4-86 which is current for three years. The main points of agreement are given below:

(i) Agreement is effective from 1-4-86 for 3 years.

(ii) DOT will give 3 years notice to HCL before phasing out any product line.

(iii) The pricing will be based on BICP recommendations.

(iv) 50 per cent of base price will be paid as advance to M|s. HCL alongwith the order for supplies scheduled for first 12 months and balance 50 per cent will be paid on presentation of proof of despatch.

(v) A price variation clause is also incorporated in the Pricing Agreement.

(vi) There is penalty clause for late delivery of materials.

(vii) There is a bonus clause for early delivery of materials, and

(viii) Any of the articles contained in the agreement shall be subject to alteration|deletion by mutual agreement between DOT and HCL.

Distillation plant to process crude produced in the Cauveri basin

2047. SHRIMATI VEENA VERMA:

SHRI KAPIL VERMA:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government have decided to set up a distillation plant to process the crude produced in the Cauveri Basin; and

(b) if so, what are the details of the scheme including the cost and time frame?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI BRAHM DUTT): (a) and (b) Government have asked MRL to prepare a Detailed Feasibility Report for setting up facilities for processing the crude produced in the Cauveri Basin. Preliminary estimate of the project cost is Rs. 94 crores. The capacity is to absorb 0.5 MT of crude oil.

2048. [*Transferred to the 1st December*, 1988].

Faulty functioning of the O.N.G.C.

2049. SHRI D. B. CHANDRE GOWDA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the World Bank which is funding some of the projects of the ONGC has found fault with the overall functioning of the public sector giant;

(b) whether it is also a fact that due to faulty functioning of the ONGC the implementation of the ambitious schemes have been badly delayed;

(c) if so, what are the details in this regard; and

(d) what steps are proposed to be taken by Government to improve the functioning of ONGC?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI BRAHM DUTT): (a) World Bank which is presently funding four projects of ONGC has not found fault with the overall functioning of ONGC.

(b) to (d) Do not arise.

High transmission and distribution losses

2050. SHRI ASHWANI KUMAR: Will the Minister of ENERGY be pleased to state:

(a) whether a Committee consisting of representatives from the Central Electricity Authority and State Electricity Boards was set up to go into the problems of high transmission and Distribution losses in the country;

(b) if so, what are its recommendations and State-wise follow up action and results achieved;

(c) taking the generating cost into account, what is the value of the State-wise losses in rupees; and

(d) how do the losses of Maharashtra and Kerala compare and if there is a difference, what are the specific reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF POWER IN THE MINISTRY OF ENERGY (SHRI KALPNATH RAI): (a) Yes, Sir.

(b) The Committee has suggested that the Electricity Supply Organisations should take up system studies to prepare short-term and long-term plans for the strengthening and improvement of their sub-transmission and distribution systems and should implement these plans in a phased manner. The Committee has also suggested improvement in the energy accounting procedure and amendment to the Indian Electricity Act, 1910 by the State Governments, in its application to their States by incorporating specific provisions regarding "Summary Trial", setting up of special mobile courts, widening the provisions relating to "Complainant" and establishing a proper machinery for the assessment and recovery of revenue losses etc.

As recommended by the Committee, the Electricity Supply Organisations have been advised to carry out system studies and formulate system improvement schemes for implementation in a phased manner. This work has already been initiated by the Electricity Boards/Electricity Departments. Most of the State Electricity Boards/Electricity Departments have set up vigilance squads to conduct surprise raids of various consumer installations to check pilferage of energy etc.

(c) The transmission and distribution losses vary from State to State, the All India average for 1987-88 being 21.50 per cent. State-wise details are given in the enclosed Statement. *(See* below). As the generation costs and tariffs are different for different systmes, it is not possible to assign a value to the losses.

(d) The transmission and distribution losses in respect of Maharashtra and Kerala in 1987-88 were of the order of 14.32 per cent and 21.3 per cent respectively. The following factors are responsible for high transmission losses in States:—

(i) Weak and inadequate sub-transmission and distribution systems.

(ii) Low power factor operation due to inadequate reactive compensation in the system.

(iii) Lengthy transmission and distribution lines.

(iv) Large scale rural electrification programme undertaken in the country resulting in long rural lines and low power factor in many areas.